

TELECOM VANTAGE™

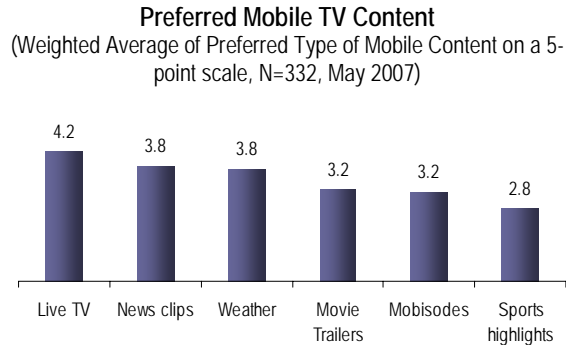
A view of the telecom and media consumer marketplace

By Andrew deGaravilla and David Kalil

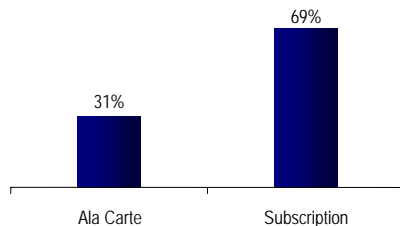
MOBILE TV MARKET BEGINS TO TAKE SHAPE

Since September 2006, interest in mobile TV and video has doubled to almost 1% of all traffic on Big-4 carrier websites. At that time, when Compete first reported on the small but growing interest in mobile TV and video content, online consumers who exhibited interest in mobile TV and video services comprised just 0.5% of all Big-4 carrier website traffic. Verizon

Wireless launched V-CAST Mobile TV in select U.S. cities in March and advertising and marketing campaigns promoting V-CAST have led to a 104% increase in consumers evaluating the service on VerizonWireless.com. With AT&T planning a live video service and Sprint adding channels to its own MobiTV lineup, Compete expects consumer interest in mobile TV and video to continue to increase rapidly over the next year.



Payment Preference for Mobile TV
(Percentage response of Preferred Payment Model, N=332, May 2007)



Compete recently surveyed existing Big-4 carrier customers regarding their interests in and preferences around this new entertainment medium. Of the 2,500 customers surveyed, 13% indicated that they would be interested in watching TV and videos on their wireless phones, with men more likely to adopt (17%) than women (12%). When asked about specific content that they would be interested in watching, customers reported that they found live TV to be the most appealing.

In addition, 69% of the consumers interested in watching mobile TV reported that they would prefer to pay for their mobile TV content as a subscription service. The remaining 31% preferred an a la carte payment model. This preference may indicate a significant opportunity for carriers to increase ARPU by offering compelling content subscription packages.

These early indicators bode well for key players in the mobile TV supply chain, including the content networks, technology enablers and, of course, the wireless carriers and MVNOs who will sell potentially lucrative mobile content. Consumers should also benefit as interfaces improve, more advanced multimedia handsets become available, programming options expand with more content players getting into the mix, and competition lowers the price of mobile TV subscriptions. If these early indicators are the beginning of a longer trend, mobile TV could become the catalyst that turns mobile phones into a true third-screen for consumers.

13% OF CONSUMERS INDICATE A DESIRE TO WATCH TV AND VIDEO CONTENT ON THEIR MOBILE PHONES.

Advertising for Verizon Wireless VCast Mobile TV drove a 104% increase in online consumer evaluation of mobile TV.

Compete's intelligence and targeting services analyze consumer behaviors and competitive best practices to help telecom and media companies maximize their returns on marketing, product development, and procurement.

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Want more data on this analysis?
wirelesspractice@compete.com

